

1 Chairman Huskey Sometime ago, the matter of coupons and rebates came to the
2 attention of the commission. After an analysis of the matter and
3 reviewing the facts by both the executive secretary and the
4 members of the commission, we have decided that we need to
5 look at this matter even a little bit more further than what we
6 already have. Recently, we attended, or members of the
7 commission and the Excise Police, attended a national alcohol
8 policy conference where the matter was discussed a little bit
9 more in detail and some of the problems with regulating rebates
10 and coupons were discussed. I believe the commission could
11 easily find a resolution for this problem; however, we want to
12 make sure that we study all the facts behind the issue. So, the
13 notice that went out regarding this matter indicates the
14 following and we're going to allow for further discussion on
15 this matter this morning, if you would, but the notice that went
16 out indicates the following. The following will be formally
17 considered on October 4, 2011, at the regular meeting of the
18 Indiana Alcohol and Tobacco Commission. The Indiana Code
19 and the Indiana Administrative Code collectively, "the Code"
20 allow the nondiscriminatory use of coupons and rebates.
21 Coupons and rebates must be affixed to the alcohol product in
22 combination packaging. The coupons and rebates will not be
23 available for redemption by any member of any tier of the
24 alcohol industry. Coupons and rebates shall be deployed into
25 the marketplace in a nondiscriminatory manner. Coupons shall
26 be related to non alcohol products that are available in all types

27 of dealer premises. Rebates may only be redeemed by the
28 consumer. Failure to deploy conforming coupons and rebates
29 may result in permittee forfeiting the right to get future coupons
30 and rebates approved by the commission. The commission is
31 looking to issue a non-rule policy which will set forth the
32 manner in which these are to be deployed. But again, after
33 further consideration, I'd like to open this up for additional
34 discussion with the commission and members of the industry
35 who may have issues and make a determination as to where we
36 go from here at that time. Do you have any comments?

37 Comm. Guthrie Have we got a timetable about how we're going to take this up?
38 Are we planning to make some decision today, or are we
39 planning on putting it off for some time?

40 Huskey Based on the information, we have not heard from all segments
41 of the industry as we should. What I'd like to be able to do is
42 take up additional arguments today and let the record reflect we
43 are going to take up additional arguments in written format until
44 the 18th of October, after which we will review the matter and
45 be prepared to issue a finding on the November 1st commission
46 meeting. During that time period, what we would do is allow
47 for those proposed coupons and rebates to be submitted to the
48 trade relations officer, Officer Scott Bedwell, for him to review
49 them for appropriateness and make recommendations to the
50 commission about those particular items and potentially be
51 prepared to make a recommendation to the commission about

52 the usage of them immediately following the November 1st
53 meeting. Any discussion?

54 Guthrie Would you like a motion to table this matter until the first
55 meeting in November?

56 Huskey I would.

57 Guthrie I'll so move.

58 Comm. Johnson Second.

59 Huskey Motion by Mr. Guthrie to table the matter till the November 1st
60 meeting. Second by Mr. Johnson. All those in favor?

61 Guthrie Aye.

62 Johnson Aye.

63 Comm. Sturtz Aye.

64 Huskey Motion carried.

65 Jim Purucker A point of clarification. So, if there are coupons that are in the
66 supplier...if suppliers or wholesalers got coupons that they'd
67 like to have considered, they should submit them now to Scott
68 and then depending on what you decide on the 1st, they would
69 be ready to go November 2nd?

70 Huskey Yes.

71 Guthrie If we okay them, then they can go out immediately.

72 Purucker Okay.

73 Marc Carmichael Originally, we were under the impression that all of these
74 coupons needed to be out of the marketplace by August 31st. Is
75 that still the case?

76 Huskey Yes.

77 Carmichael Are we in a period where there should be no coupons at all?

78 Huskey Yes. And, based on the knowledge we received, there haven't
79 been any.

80 Carmichael And these coupons are food related coupons?

81 Huskey They are any coupons right now.

82 Ex. Sec. Neal Any non-alcohol product.

83 Carmichael Any non-alcohol product. But, it's related to an alcohol
84 purchase, or it is available in an alcohol outlet? In other words,
85 are these coupons that are only available at permittee
86 locations...alcohol permittee locations?

87 Neal Yes.

88 Carmichael But, they could be for anything?

89 Neal No. They could be for anything available at any type of dealer.

90 Carmichael Okay. So, they are the....

91 Neal Essentially, the permissible commodities list.

92 Carmichael If it is available in a liquor store, that liquor store list...

93 Neal That's right.

94 Huskey Is your brain still working, sir?

95 Carmichael But, my mouth just shut down.

96 Sturtz It's usually the other way around.

97 Jeff McKean So, just to clarify, you are saying they have to be part of that

98 commodities...they have to be available at all dealer locations?

99 Purucker That's the way coupons used to work.

100 Huskey Yes.

101 Connie Vickery During this period of time, will your officers, as they go to

102 locations, be checking to see that all retailers have these

103 coupons on the bottles?

104 Huskey That will not be their priority, but they will be doing inspections

105 on permit premises. Yes. And, they will take the appropriate

106 action. That doesn't always mean...I'll leave that up to the

107 Superintendent how they want to do that. But, they will take

108 appropriate action to work with the permittees. Any further

109 comments or questions? Seeing there are none, let's move on to

110 New Business.

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